

Received: 9/27/01 1:31PM; -> 215 EAST 9th STREET; Page 1

Sent By: CHUBB & SON;

908 903 5787;

Sep-2 J1 13:51;

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CHUBB

Chubb & Son, a division of Fed:

15 Mountain View Road, P.O. Box 1615, Warren, Ne

(908) 903-5787

FAX TRANSMITTAL COVER SHEET

DATE: September 27, 2001

Total number of pages: 4

TO: Randolph H. Freking, Esq.

Fax: 513-651-2570

FROM: Suzanne Johnson
Associate Counsel
General Counsel Department

Phone (908) 903-3822

To acknowledge receipt or correct transmission problems, please call:
Sue Moeller at (908) 903-3586.

Message:

Randy,

I received your voicemail and am sending the 3 documents I have that are dated 5/7/01.

This will also confirm that although the termination date remains October 1, 2001, the deadline of October 1, 2001 for signing the Release and Confidentiality Agreement has been extended by our mutual agreement until we can determine if this matter can be resolved.

I will call you this afternoon in response to your voicemail message.

Suzanne

CONFIDENTIALITY NOTE

The comments accompanying this telecopy transmission contain information from the Corporate General Counsel Department, which is confidential and/or legally privileged. The information is intended only for the use of the individual or entity named on this transmission sheet. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution or the taking of any action in reliance on the contents of this telecopied information is strictly prohibited, and that the documents should be returned to this department immediately. If you have received this telecopy in error, please notify us by telephone immediately.



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Sent By: CHUBB & SON;

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Sep-26-01 03:45pm From:CHUBB ADM HR MKTG

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T-252

P.02/04

F-173

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**Chubb & Son -
Administration**

Memo

To: Doug Baillie
From: Tim Szerlong
Date: 05/07/01
Re: Visit of May 2nd - Recap & Follow-Up

I want to recap several items of discussion from my recent visit

1. **Scorecard** - I believe we agreed on appropriate amendments to your scorecard. Please edit per our discussion and forward to my attention at your convenience.
2. **Priorities** - Attached is a short list of developmental priorities - progress against these is key to your success. In addition to reviewing scorecard components, we will review these in measuring your progress through the year.
3. **Regional Roles** - We again discussed your role and the appropriate direction to your team that have Regional responsibilities. As there continues to be some confusion on this, I have attached a brief memo further describing these responsibilities, which you may find useful to ensure clarity going forward.
4. **Production Offices** -
 - **Louisville** - I am very concerned about the lack of sales coordination in this office. They appear a bit rudderless, which calls into question Andy Bryant's ability to provide necessary leadership. We must more clearly define the expectations for Andy Bryant and also for Jeff Barton in managing marketing efforts in this branch. I would appreciate a copy of the goals/direction you provide them when prepared.
 - **Columbus** - I am very disappointed in Tom's impression from his recent visit. I have seen more evidence from Jeff Barton in coordinating the sales efforts here, but he must more aggressively drive the process yet. Again, I'd like to see a copy of your direction to Barton on his role in managing this effort as soon as available.
5. **Sales Focus** - We discussed a plan to move some renewal handling out of the production offices and/or reallocate the work. This will move some positions to primarily a new business development role. The bottom line goal is to move our production offices to primarily sales offices. I'd like to see your plan for each of these offices within the next few weeks.
6. **Jeff Barton** - As mentioned above, I want to see Barton's role more clearly defined as it relates to driving sales in the production offices. Additionally, Jeff needs to drive issues harder and demand more - an approach in which he is clearly reluctant. Let's make sure his overall goals for the Region focus on specific business results he must achieve through others, and not just managing the process behind it.

I look forward to our further discussions on these items

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Sep-26-01 03:45pm From:CHUBB ADM HR MKTG

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T-252 P.03/04 F-173

**Chubb & Son -
Administration**

Memo

To: Doug Baillie
From: Tim Szerlong
Date: 05/07/01
Re: Development/Performance Priorities

1. Achieve turn around in profit results in Cincinnati
2. Effectively direct and engage regional resources. Provide a clear sense of direction in clarity of role. Achieve consistent support for driving business objectives through the Regional territory (Effectively adopt the revised Regional role).
3. Effectively manage a shift in production offices, which will improve sales execution and more effectively allocate renewal management. Devise and implement a plan, orchestrate change, and revise goals and position descriptions to move to a predominant sales focus in each office.
4. Increase your internal management engagement. Instill a clear vision, and ensure the appropriate performance standards are "upheld". Raise the bar consistently in measuring performance. More deeply engage with each lieutenant in providing guidance, coaching, and performance feedback.
5. Shape how you are perceived as a leader through better staging your interface and communication at all levels within the organization. Elevate your presentation and dialogue with your staff (downward), and better balance your position and communication in collaboration through the organization. Garner confidence and support from various constituents within Chubb.

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Sep-26-01 03:46pm From:CHUBB ADM HR MKTG

13124865264

T-252 P.04/04 F-173

Memo

To: Doug Baillie

From: Tim Szenong

Date: 05/07/01

Re: The Regional Role in 2001

Regional roles have been recently redefined. These changes center on our desire to reduce the layers of oversight, and limit the sources of direction in business planning and operational decision making. At the same time, our Zone continues to need the engagement of Regional leaders as resources for conducting business providing referral sources for underwriting decisions, and fostering collaboration guidelines in implementing our business strategy. Simply stated, the Regional role provides a coordination of resources and an access point for guidance and ensure speed in decision making on a manageable scale.

A Regional Manager/Leader is no longer:

- An additional management layer for assessing people, monitoring individual performance, or keeping score
- A required "step"/base to be touched in receiving authority or making a decision

Regional Manager/Leaders are:

- Resources available to be accessed or engaged where needed to support and guide business practices, provide expertise in planning, and assist in tactical execution or decision making
- A review source to review practices through the territory, and provide guidance to ensure consistency or integrity in business practices

Each Regional Manager's accountability might vary based upon specific business needs and/or skills of the people within that territory. The application of this Regional role must be directed and clearly defined by the Regional Branch Manager. Clearly, the Zones rely upon the Regionals for feedback on business performance and as an alternative for accessing authority in day-to-day decisions. The Regional Branch Manager must also work closely with the Zone Practice Leader to evaluate the skills and capacity within each practice in their Region, and ensure we provide capacity toward the best opportunities to support our business. This assessment by the Regional Branch Manager determines the degree of engagement and the metrics for assessing performance of the Regional Practice Leaders.

FREKING & BETZ

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***Also Admitted in Indiana and Illinois*

November 20, 2001

VIA FACSIMILE ONLY

651-6981

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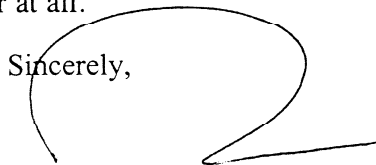
Re: Doug Baillie/Chubb & Son

Dear Dave:

I received your telephone message yesterday indicating that you have been contacted by Chubb. Frankly, I had just printed out the final version of the Complaint with the intent on filing it today since I had not heard from Chubb.

Please call me as soon as possible so that we can set up a meeting to discuss the matter, if your client is willing to discuss the matter at all.

Sincerely,



Randolph H. Freking

RHF/klp

cc: Mr. Doug Baillie



Send Confirmation Report

Name: 215 EAST 9th STREET

ID: 513 651 2570

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Job	Start time	Usage	Phone Number/Email	Type	Pages	Mode	Status
467	11/20 12:02PM	0'36"	6516981	Send	2 / 2	EC144	Completed

Total: 0'36" Pages sent: 2 Pages printed: 0

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*Also Admitted in Kentucky
Also Admitted in Indiana and IllinoisFACSIMILE COVER SHEET**

TO: David Cruall FAX #: 651-6981
FROM: Randolph H. Freking TIME: 11:58 AM
DATE: November 20, 2001 NO. OF PAGES: 2
RE: Doug Baillie (including cover sheet)

COMMENTS:

IF YOU SHOULD HAVE ANY PROBLEMS WITH THIS TELECOPY OR
HAVE ANY QUESTIONS REGARDING ITS RECIPIENT
PLEASE CALL (513) 721-1975

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FREKING & BETZ
Attorneys At Law

Baillie, D

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December 21, 2001

VIA HAND DELIVERY

David T. Croall, Esq.
Frost Brown Todd
2200 PNC Center
201 East Fifth Street
Cincinnati, Ohio 45202-4182

Re: Doug Baillie/Chubb & Son

Dear Dave:

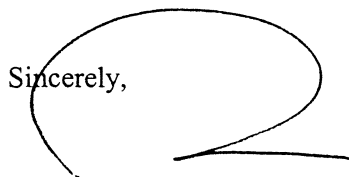
Enclosed is an original of the Separation Agreement that was signed by Doug Baillie in October.

When we talked earlier this month, you told me "it's a generous offer, we hope he takes it." In our view, we verbally accepted the offer on Tuesday and again yesterday.

Please advise me by the end of the year as to your client's position.

We will file the lawsuit on January 3 unless you advise us that your client will honor the agreement.

Sincerely,



Randolph H. Freking

RHF/klp

Enclosure

